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DE RUEHML #0920/01 1190808

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FM AMEMBASSY MANILA

TO RUEHC/SECSTATE WASHDC IMMEDIATE 3967

INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS IMMEDIATE  
RHHMUNA/CDRUSPACOM HONOLULU HI IMMEDIATE

RHEHNSC/NSC WASHDC IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 MANILA 000920

SIPDIS

STATE FOR EAP/MTS

E.O. 12958: DECL: 04/30/2019

TAGS: PGOV PREL SENV RP

SUBJECT: FOREIGN SECRETARY ON PEACE PROCESS, ENVIRONMENTAL  
COOPERATION AND ASEAN

REF: A. MANILA 903 (FOREIGN SECRETARY CONCURS WITH RAPID  
SMITH DEPARTURE)

1B. MANILA 902 (SEARCH FOR LAST RED CROSS HOSTAGE  
CONTINUES)

1C. MANILA 833 (FOREIGN SECRETARY ON ASEAN BURMA AND  
VFA HEARING)

Classified By: Ambassador Kristie A. Kenney,  
reasons 1.4 (b) and (d).

11. (C) During an April 27 private breakfast with the Ambassador, Foreign Secretary Alberto Romulo underscored President Arroyo's strong interest in meeting President Obama to discuss ongoing environmental programs like the Coral Triangle Initiative, strengthening ASEAN, supporting change in Burma, and advancing the peace process in the southern Philippines. Secretary Romulo said he was optimistic that peace negotiations between the government and Muslim rebels in Mindanao would soon resume, and he suggested that expanded U.S. engagement with the rebels could encourage them to be more flexible in negotiations. The U.S. should expect an increase in anti-U.S. rhetoric channeled toward the Visiting Forces Agreement, Romulo speculated, as the Philippines enters the unofficial campaign season for the May 2010 Presidential elections. He emphasized that President Arroyo wants to sign a Millennium Challenge Corporation (MCC) compact before her term ends next year, but said the MCC's perspective on timing was unclear. END SUMMARY.

PRESIDENT ARROYO SEEKS WHITE HOUSE MEETING

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12. (C) President Arroyo is eagerly seeking a meeting with President Obama, Foreign Secretary Alberto Romulo relayed to the Ambassador during an April 27 breakfast meeting, following up on their earlier conversations (ref C). As the "environmental champion" in her own administration, Romulo said, President Arroyo would like to discuss with President Obama the Coral Triangle Initiative of Southeast Asia and its importance from a global perspective. Her planned attendance at the mid-May Coral Triangle Initiative summit in Indonesia, Romulo noted, demonstrates her personal commitment to environmental protection, an issue where she feels akin to President Obama. President Arroyo would also hope to discuss the situation in Burma as well as how the upcoming ASEAN Regional Forum humanitarian disaster relief exercise the Philippines is co-hosting with the U.S. in May and other mechanisms could strengthen ASEAN through increased multilateral cooperation. The state of the peace process between the Philippine government and the insurgent Moro Islamic Liberation Front (MILF) and counter terrorism operations in the southern Philippines, Romulo said, would also figure in the discussions.

MINDANAO PEACE TALKS AND A HOSTAGE IN SULU

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¶3. (C) Expanding on the issue of peace talks, the Philippine government continues to support an immediate return to peace negotiations with the Moro Islamic Liberation Front, Secretary Romulo said, optimistic that formal talks would restart soon. He suggested that expanded U.S. engagement with the MILF could provide a dose of positive encouragement for the rebels to be more flexible in back-channel negotiations and make bolder moves toward restarting the talks. The Ambassador noted that a continued focus on needed development projects in Mindanao could also help keep the peace process moving along. Expressing hope that the last remaining Red Cross hostage of the terrorist Abu Sayyaf Group would be rescued safely and swiftly, the Ambassador encouraged Secretary Romulo to consider how, once the hostage crisis is resolved, the government could restore citizens' confidence in the government's ability to provide security on the island of Jolo (ref B).

ELECTION SEASON: ANTI-U.S. RHETORIC ON THE RISE

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¶4. (C) Romulo noted that, given the unofficial start of the campaign season for the May 2010 elections, the U.S. and Philippine governments should prepare for an upswing in anti-U.S. rhetoric from leading Philippine political figures. Philippine Senate hearings on the Visiting Forces Agreement (VFA) in late May, Romulo said, will give Senate presidential candidates a platform to voice their complaints about the nearly 10-year-old agreement, largely as a means to burnish their nationalist credentials in light of the April 23 Court of Appeals acquittal of Lance Corporal Daniel J. Smith.

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Romulo expressed relief about the resolution of the Smith case and thought it appropriate that Smith was quickly moved out of the Embassy after the Court announced its decision to acquit (ref A).

SEEKING AN MCC COMPACT, BUT GETTING MIXED SIGNALS

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¶5. (C) President Arroyo wants to sign a Millennium Challenge Corporation (MCC) compact before the end of her term, Secretary Romulo emphasized, but Philippine officials were confused about the MCC's expectations and timeline. MCC officials had discussed with Philippine counterparts the difficulty of signing an MCC compact before the end of President Arroyo's term, but had also mentioned the possibility of an incremental approach that could offer a solution. The Ambassador said these issues could be reexamined upon the return of Philippine Finance Secretary Margarito Teves from his Washington meetings, which included discussions with MCC officials. In the meantime, the Ambassador continued, the Philippines should stay focused on taking concrete steps to meet the required MCC indicator targets, particularly on corruption.

MEMORIAL DAY AND RECOGNITION FOR FILIPINO VETS

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¶6. (C) Secretary Romulo thanked the Ambassador for her kind invitation to be the Mission's guest speaker at the annual Memorial Day ceremony held at the Manila American Cemetery and said he would be delighted to participate if his scheduled permitted. The Ambassador noted that, as a strong supporter of U.S. benefits for Filipino war veterans, Romulo must have felt a great sense of pride to see the successful resolution of an issue he spent considerable time pursuing. The Foreign Secretary's presence at the Embassy's annual commemoration of those who gave their lives for their countries, the Ambassador remarked, would therefore be a fitting capstone on this important achievement.

KENNEY